



# NATIONAL CONSUMER PROTECTION WEEK

## WHAT'S YOUR CREDIT QUOTIENT?

	True	False
1. Your employer can get a copy of your credit report without your permission.	<input type="checkbox"/>	<input type="checkbox"/>
2. Bankruptcy information stays on your credit report for seven years.	<input type="checkbox"/>	<input type="checkbox"/>
3. You're entitled to a free copy of your credit report if you've been denied credit.	<input type="checkbox"/>	<input type="checkbox"/>
4. Credit repair companies can remove bankruptcies, judgments, liens, late payments, and bad debts from your credit file.	<input type="checkbox"/>	<input type="checkbox"/>
5. Businesses offering advance-fee loans can ask you to pay for their service before you get the loan or credit.	<input type="checkbox"/>	<input type="checkbox"/>
6. It's a good idea to have your Social Security number printed on your checks.	<input type="checkbox"/>	<input type="checkbox"/>
7. If you report a lost or stolen credit card before it's used, the card issuer cannot hold you responsible for any unauthorized charges.	<input type="checkbox"/>	<input type="checkbox"/>
8. "Equity stripping" could result in you losing your home.	<input type="checkbox"/>	<input type="checkbox"/>
9. A "grace period" lets you avoid the finance charge on your credit card if you pay your current balance in full before the "due date" shown on your statement.	<input type="checkbox"/>	<input type="checkbox"/>
10. Leasing a car gives you cheaper monthly payments than buying one.	<input type="checkbox"/>	<input type="checkbox"/>
11. You have three days to cancel a new car sale.	<input type="checkbox"/>	<input type="checkbox"/>
12. You should be cautious about using your car as collateral on a loan.	<input type="checkbox"/>	<input type="checkbox"/>
13. Cosigning a loan means you agree to guarantee the debt.	<input type="checkbox"/>	<input type="checkbox"/>
14. Most vehicle leases limit the number of miles you may drive.	<input type="checkbox"/>	<input type="checkbox"/>
15. You have a right to know what's in your credit report.	<input type="checkbox"/>	<input type="checkbox"/>
16. Vehicle repossession does not apply to leased vehicles.	<input type="checkbox"/>	<input type="checkbox"/>
17. Credit scoring is a system creditors use to help determine whether to give you credit.	<input type="checkbox"/>	<input type="checkbox"/>
18. A debt collector may contact you after 9 p.m.	<input type="checkbox"/>	<input type="checkbox"/>
19. When you use your home as collateral to take out a loan, you generally have the right to cancel the credit transaction within three business days for any reason.	<input type="checkbox"/>	<input type="checkbox"/>
20. If you pay by credit or charge card when you shop online, your transaction will be protected by the Fair Credit Billing Act.	<input type="checkbox"/>	<input type="checkbox"/>

1. **Your employer can get a copy of your credit report without your permission. False.**

A credit reporting agency generally may not give out information about you to your employer, or to a prospective employer, without your written permission.

2. **Bankruptcy information stays on your credit report for seven years. False.**

Bankruptcy information can be reported for 10 years. Bankruptcy can hinder your ability to get credit, a job, insurance, or even a place to live.

3. **You're entitled to a free copy of your credit report if you've been denied credit. True.**

You're entitled to a free copy of your credit report if:

- you've been denied credit, insurance or employment and you ask for the report within 60 days of notice; or
- you can prove that you're unemployed and plan to look for a job within 60 days; or
- you're on welfare; or
- your report is inaccurate because of fraud.

4. **Credit repair companies can remove bankruptcies, judgments, liens, late payments, and bad debts from your credit file. False.**

No one can legally remove accurate and timely negative information from a credit report. Only time, a conscientious effort and a personal debt repayment plan will improve your credit report.

5. **Businesses that offer advance-fee loans can ask you to pay for their service before you get the loan or credit. False.**

If someone guarantees or suggests that there is a strong chance they can get or arrange for a loan or other form of credit for you, the law says they cannot ask you to pay — or even accept payment — for their service until you get your loan or credit.

6. **It's a good idea to have your Social Security number printed on your checks. False.**

Scam artists can use your Social Security number (SSN) to get access to other personal information about you. Scam artists also can use your SSN to assume your identity and establish new credit card and checking accounts in your name.

7. **If you report that a credit card has been lost or stolen before someone has used it, the card issuer cannot hold you responsible for any unauthorized charges. True.**

And, if a thief uses your card before you report it missing, the most you will owe for unauthorized charges is \$50 a card.

8. **Equity stripping could result in you losing your home. True.**

Equity stripping occurs when the lender gives you a loan based on the equity in your home, not on your income. If you can't make the payments, you could end up losing your home.

9. **A “grace period” lets you avoid the finance charge on your credit card if you pay your current balance in full before the “due date” shown on your statement. True.**  
Knowing whether a credit card gives you a “grace” period is especially important if you plan to pay your account in full each month. If there is no grace period, the card issuer imposes a finance **charge** from the date you use your credit card or from the date each credit card transaction is posted to your account.
10. **Leasing a car always gives you cheaper monthly payments than buying one. False.**  
Even though the monthly payments may be lower on a lease than on a traditional auto loan, other fees (excess mileage, excess “wear and tear”) often increase the overall cost of leasing a car. What’s more, at the end of the lease you don’t own the car.
11. **You have three days to cancel a new car sale. False.**  
Federal law doesn’t give you a “cooling off” period on new car purchases. Once you’ve signed the contract, you’ve bought the car. Check your state laws.
12. **You should be cautious about using your car as collateral on a loan. True.**  
You should be cautious about using your car as collateral on a loan because if you miss a payment, the lender could repossess your vehicle.
13. **Cosigning a loan means you agree to guarantee the debt. True.**  
If the borrower doesn’t pay the debt, you have to pay the debt. You also may have to pay late fees or collection costs.
14. **Most vehicle leases limit the number of miles you may drive. True.**  
The limit usually is 12,000 to 15,000 miles a year. Although you can negotiate a higher mileage limit, that usually means a higher monthly payment. If you’ve exceeded the limit when you return the car at the end of the lease, chances are you’ll pay extra.
15. **You have a right to know what’s in your credit report. True.**  
You have a right to know what’s in your credit report, but you have to ask. The credit reporting agency must tell you everything in your report, including medical information, and in most cases, the sources of the information. The agency also must give you a list of everyone who has asked for your report within the past year — two years if your request is related to employment.
16. **Vehicle repossession does not apply to leased vehicles. False.**  
If you default on a loan — for a purchase or a lease — the law in most states allows the creditor or lessor to repossess your vehicle. Because state laws differ, read your contract to find out what constitutes a default.

17. **Credit scoring is a system creditors use to help determine whether to give you credit. True.**

Creditors collect information about you and your credit experiences from your credit application and your credit report. Using a statistical program, creditors compare this information to the credit performance of consumers with similar profiles. A credit scoring system awards points for each factor that helps predict who is most likely to repay a debt. A total number of points — a credit score — helps predict how creditworthy you are.

18. **A debt collector may contact you after 9 p.m. False.**

A debt collector may not contact you before 8 a.m. or after 9 p.m., unless you agree. A debt collector also may not contact you at work if the collector knows that your employer disapproves.

19. **When you use your home as collateral to take out a loan, you generally have the right to cancel the credit transaction within three business days for any reason. True.**

This is called your “right of rescission” and it applies to certain installment loans and home equity credit lines. It does not apply to loans for the purchase of a home.

20. **If you pay by credit or charge card when you shop online, your transaction will be protected by the Fair Credit Billing Act. True.**

The Fair Credit Billing Act gives consumers the right to dispute charges under certain circumstances and withhold payment temporarily while the creditor is investigating the charges.

## Score:

- 16-20 correct: Credit Rules! And so do you.
- 11-15 correct: Partial credit. To get it all, go to [consumer.gov](http://consumer.gov) or call 202-FTC-HELP.
- 6-10 correct: Endangered species. For a survival kit see [consumer.gov](http://consumer.gov) or call 202-FTC-HELP.
- 1-5 correct: Run, don't walk, to [consumer.gov](http://consumer.gov), where you'll find the tools to be credit smart.